

Message Text

CONFIDENTIAL

PAGE 01 BERLIN 01251 01 OF 02 180728Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00
PA-01 USIA-06 SP-02 EB-08 COME-00 TRSE-00 OMB-01
DOTE-00 /041 W
-----089480 180803Z /11

R 171853Z FEB 78
FM AMEMBASSY BERLIN
TO SECSTATE WASHDC 6760
INFO AMEMBASSY WARSAW
AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
USMISSION USBERLIN
USMISSION USNATO

C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 01251

E.O. 11652: GDS
TAGS: ECON, GE
SUBJECT: "GOLF" PRICE REDUCTION TRIGGERS BUYER STORM,
- POSSIBLE WITHDRAWAL FROM PUBLIC SALE

REF: BERLIN 0931

1. JUST AS IT DID NOT ANNOUNCE PUBLICLY THAT GOLF
AUTOMOBILES WOULD BE SOLD TO GDR CITIZENS, THE REGIME
HAS NOW LOWERED PRICES FOR THESE CARS, WITHOUT PUBLICLY
SO STATING. THE PRICE REDUCTION, WHICH BECAME KNOWN
PUBLICLY THROUGHOUT THE GDR AS A RESULT OF BEING
CARRIED BY WEST GERMAN MEDIA, LOWERS THE PRICE OF THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BERLIN 01251 01 OF 02 180728Z

LEAST EXPENSIVE "GOLF" MODEL FROM 31,000 TO 19,000
GDR MARKS, AND WAS APPARENTLY EFFECTIVE AS OF
FEBRUARY 10. THE SURPRISE NEWS PRODUCED LONG LINES
IN FRONT OF EAST BERLIN AUTOMOBILE DISTRIBUTION
OUTLETS ON MONDAY, FEBRUARY 13. THE FOLLOWING DAY,
GOLFS WERE REPORTEDLY WITHDRAWN FROM PUBLIC SALE IN
EAST BERLIN AND MADE AVAILABLE FOR PURCHASE ONLY

THROUGH THE ENTERPRISE AT WHICH THE PERSON WORKS. WE HAVE NOT YET BEEN ABLE TO DETERMINE IF THIS INDEED IS THE CASE.

2. THE GOLF PRICE REDUCTION PLACES IT ROUGHLY IN THE SAME PRICE RANGE AS THE GDR-PRODUCED WARTBURG, WHICH HAS A BASE PRICE BETWEEN 16,900 AND 18,800 GDR MARKS, AND THE SOVIET-PRODUCED LADA, WITH A BASE PRICE OF BETWEEN 19,800 AND 21,000 GDR MARKS. THE MOST EXPENSIVE GOLF BEING OFFERED FOR SALE--A FOUR-DOOR DIESEL MODEL--WILL SELL FOR 25,500 GDR MARKS. THE PRICE REDUCTION MAY BE DUE TO THE ORIGINAL HIGH PRICE, WHICH PRESUMABLY PUT IT OUT OF THE REACH OF MOST PEOPLE, AND PERHAPS BECAUSE OF THE INVIDIOUS COMPARISON WHICH PEOPLE MAY HAVE MADE BETWEEN EAST AND WEST GERMAN MARKS. THE TWO-DOOR GOLF, OFFERED FOR SALE ORIGINALLY FOR 31,000 EAST MARKS, IS REPORTEDLY PRICED AT 9,540 WEST MARKS, THUS GIVING LIE TO THE EAST GERMAN CLAIM THAT EAST AND WEST MARKS ARE EQUAL IN VALUE.

3. BASED ON LIMITED CONVERSATIONS WE HAVE HAD WITH EAST GERMAN CONTACTS, THERE IS LITTLE DOUBT THAT THE ENTIRE MATTER OF IMPORTING GOLFS HAS AND IS CAUSING CONSIDERABLE DISCUSSION AND IRRITATION INSIDE THE PARTY AS WELL AS AMONG THE POPULATION. IN MID-JANUARY, (EAST) BERLINER ZEITUNG EDITOR GERSTNER, WHO IS A CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BERLIN 01251 01 OF 02 180728Z

PARTY MEMBER AND PROBABLY ALSO HAS SECURITY SERVICE CONNECTIONS, COMPLAINED VIGOROUSLY TO THE DCM ABOUT THE IMPORTATION OF GOLFS AS WELL AS ABOUT THE INTERSHOP SYSTEM. GERSTNER CONTENDED THAT THE MACHINERY WHICH THE GDR IS EXPORTING TO VW IN EXCHANGE FOR THE GOLFS SHOULD BE USED EITHER WITHIN COMECON OR SOLD FOR HARD CURRENCY RATHER THAN TO IMPORT CARS FROM THE WEST. GERSTNER WENT ON TO ASSERT THAT THE POLICY WOULD BE CHANGED--BUT WAS NOT SPECIFIC ABOUT HOW OR WHEN. ON FEBRUARY 11, GERSTNER TOLD THE DCM THAT A NUMBER OF BASIC PARTY ORGANIZATIONS HAD WRITTEN THE POLITBURO, COMPLAINING ABOUT THE POLICY OF IMPORTING GOLFS AS BEING DETRIMENTAL TO THE BUILDING OF A SOCIALIST SOCIETY. GERSTNER ADDED THAT "MR. HONECKER'S POLICIES WERE WRONG AND WOULD BE CHANGED." WE TEND TO DOUBT THAT GERSTNER INTENDED BY HIS COMMENTS TO SUGGEST ANY IMMINENT CHANGE IN POLICY, BUT WE FIND IT NOTEWORTHY THAT HE REMAINS SO SPECIFIC AND VOCAL ABOUT SUCH A SENSITIVE MATTER, AND IS WILLING TO PUT THE BLAME DIRECTLY ON HONECKER.

4. THE FAILURE OF THE PARTY TO PROVIDE ANY EXPLANATION TO DATE FOR THE IMPORTATION OF GOLFS OR THE PRICE

REDUCTION IS ALSO A CAUSE OF CONCERN. A CONTACT AT THE INSTITUTE FOR POLITICS AND ECONOMICS, CONNECTED WITH THE SED CENTRAL COMMITTEE, TOLD US FEBRUARY 15 THAT HIS FRIENDS IN THE BERLIN PARTY APPARATUS HAD NOT BEEN INFORMED AHEAD OF TIME ABOUT THE PRICE REDUCTION AND STILL HAD NOT BEEN GIVEN ANY EXPLANATION. AS A CONSEQUENCE, THEY HAVE BEEN LEFT ON THEIR OWN TO REPLY TO QUESTIONS ON THE SUBJECT. THE EMBASSY CONTACT, WHO IS ALSO A SED MEMBER, THINKS IT IS PARTICULARLY DISGRACEFUL THAT THE REGIME IS IMPORTING VW'S, THE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BERLIN 01251 02 OF 02 180730Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00
PA-01 USIA-06 SP-02 EB-08 COME-00 TRSE-00 OMB-01
DOTE-00 /041 W

-----089516 180802Z /11

R 171853Z FEB 78

FM AMEMBASSY BERLIN

TO SECSTATE WASHDC 6761

INFO AMEMBASSY WARSAW

AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

USMISSION USBERLIN

USMISSION USNATO

C O N F I D E N T I A L SECTION 02 OF 02 BERLIN 01251

ULTIMATE SYMBOL OF WEST GERMAN PEOPLE'S CAPITALISM, AND HE HAS NO SYMPATHY FOR THE REGIME IN THIS RESPECT. FOR IDEOLOGICAL REASONS, HE IS OF THE VIEW THAT WESTERN CARS, AND GOLFS IN PARTICULAR, SHOULD NOT BE IMPORTED. A SIMILAR VIEW HAS BEEN EXPRESSED TO EMBASSY OFFICERS BY A LONG-TIME (EAST) CDU CONTACT, WHO BELIEVES THAT, IN EFFECT, THE REGIME HAS SOLD ITS SOUL TO THE DEVIL.

5. COMMENT: ALTHOUGH THERE APPEARS TO BE CONSIDERABLE
DISCUSSION AND IRRITATION ABOUT THE GOLF ISSUE, WE
DOUBT THAT IT IS THE KIND OF ISSUE THAT WILL LEAD
TO UNREST. RATHER, IT IS FOR THOSE WHO ARE IDEOLOGICALLY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BERLIN 01251 02 OF 02 180730Z

COMMITTED TO THE BUILDING OF A SOCIALIST SOCIETY THE
WRONG KIND OF DEVELOPMENT. AND FOR THOSE WHOSE
MATERIALISM OUTWEIGHS THEIR IDEALISM, IT IS
PRESUMABLY AN IRRITANT BECAUSE THEIR CHANCES OF
OBTAINING A GOLF ARE EXTREMELY LIMITED. AND IT
APPEARS TO BE A GENUINE HEADACHE FOR PARTY FAITHFUL
(OR OTHERWISE) WHO APPARENTLY CANNOT PROVIDE RATIONAL
ANSWERS FOR THIS POLICY OF THE REGIME. POLANSKY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, PRICES, AUTOMOBILES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BERLIN01251
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780075-0769
Format: TEL
From: BERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780244/aaaabklt.tel
Line Count: 188
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f65f47d5-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 BERLIN 931
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3566598
Secure: OPEN
Status: NATIVE
Subject: \"GOLF\" PRICE REDUCTION TRIGGERS BUYER STORM, - POSSIBLE WITHDRAWAL FROM PUBLIC SALE
TAGS: ECON, GC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f65f47d5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014